

## ESR announces over US\$1 billion first close of inaugural Data Centre Fund

- Total initial investment capacity (including leverage) of US\$ 2.5 billion to supercharge ESR's digital infrastructure business across APAC
- Robust development pipeline of 8 projects representing over 300 megawatts of capacity set to quickly deploy the fund
- Anchor investors include some of the world's largest sovereign wealth and pension funds



**Data Centre in Osaka, Japan**

**SINGAPORE/HONG KONG, 25 July 2022**– ESR Group Limited (“ESR” or the “Company”, together with its subsidiaries the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, today announced the first close of over US\$1 billion in equity commitments for its inaugural vehicle, Data Centre Fund 1 (“ESR DC Fund 1” [or the “Fund”]), dedicated to the development of its growing data centre business.

ESR DC Fund 1 brings together some of the world’s largest institutional investors, including sovereign wealth and pension funds. ESR will raise a separate discretionary capital sleeve to co-invest into the fund which will likely close the balance of the fund at the hard cap of US\$1.5 billion. Additionally, the partners have an upside option of an additional equity commitment of US\$1.5 billion, that would bring the total investment capacity to as much as US\$7.5 billion over time.

ESR’s current data centre development portfolio comprises data centre projects primely located in major data centre clusters across Asia, including Hong Kong, Osaka, Tokyo, Seoul, Sydney, Mumbai and Singapore, delivering 300 megawatts (“MW”) IT load. Amongst these projects is a key asset the Group acquired in Osaka that will be developed into a multi-phase data centre campus with a development potential of up to 95 MW IT load to serve both hyperscalers and co-location operators in the rapidly growing Osaka market.

Jeffrey Shen and Stuart Gibson, Co-founders and Co-CEOs of ESR, said: “APAC is the prime market for data centre development and investment in the new era of digitalisation. The substantial first close of our inaugural data centre fund marks a significant milestone for ESR as we continue to grow and scale our digital infrastructure business. We thank our capital partners for their strong support to this exciting effort.

“As the largest New Economy real estate platform in APAC, we are looking to play into the critical need for digital infrastructure in a big way going forward by leveraging our core competitive advantages – our deep land sourcing capabilities, best-in-class design and construction capabilities, an integrated fund management platform as well as commitment to sustainability – with a singular focus to support our capital partners and customers to thrive and capitalise on the continued rise of the New Economy and digital transformation in APAC.”

The rapid surge in data consumption, fuelled by continued growth in cloud computing and social media use, continues to drive investor interest in APAC data centres, with investment in the sector soaring to record levels in 2021<sup>1</sup>. Data consumption has grown by four times over the past five years in Asia<sup>2</sup>, while direct investment in the APAC data centre sector totalled US\$4.8 billion in 2021—more than double the previous high of US\$2.2 billion in 2020 and surpassing investment volumes for the past four years combined<sup>3</sup>.

Diarmid Massey, ESR Data Centres CEO, highlighted: “With nearly \$60 billion of New Economy AUM, digital infrastructure is a key strategic focus for ESR Group. Naturally, our ambition is to offset high energy consumption by aligning with our ESG strategy to refurbish, re-develop, convert some of our existing 39.8 million sqm GFA of assets into large and edge data centres, and to explore sustainable options through actual renewable energy generation from the rooftops.”

Devashish Gupta, ESR Data Centres CIO, elaborated: “The APAC Data Centre fund is uniquely placed to take advantage of ESR Group’s adjacencies in land, power, fibre origination, strong pipeline of recently acquired data centre specific sites, a dedicated team of experienced Data Centres’ professionals, and partnerships with best-in-class data centre operators for co-location assets. Our ability to offer powered shells, fully fitted, and co-location assets to serve hyperscalers, enterprises as well as operators, provides a scalable solution with shorter ready-for-service timelines to our customers; and risk-adjusted strategies to our capital partners.”

The completion of the transaction is subject to relevant regulatory approvals.

### **About ESR**

ESR is APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140.2 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – *Space and Investment Solutions for a Sustainable Future* – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed

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<sup>1</sup> Source: CBRE research

<sup>2</sup> Source: Statista

<sup>3</sup> Source: CBRE research

on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. More information is available at [www.esr.com](http://www.esr.com).

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